

Franchise Tax Board

NO ANALYSIS REQUIRED

Author: Leach Analyst: Roger Lackey Bill Number: AB 831
Related Bills: See Prior Analysis Telephone: 845-3627 Amended Date: 05-18-99
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Limited Liability Companies Permitted To Have One Member

- _____ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
_____ TECHNICAL BILL -- No program or fiscal changes to existing program.
_____ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
_____ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
_____ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
X MINOR AMENDMENT - No change in approved position of Neutral. See comments below.
_____ OTHER - See comments below.

COMMENTS:

This bill would authorize the organization of single-member limited liability companies (LLCs) in California.

The May 18, 1999, amendment would add a reference to provide that a limited liability company would be subject to the common law governing alter ego liability.

The department's analyses of AB 831, as introduced February 24, 1999, and amended May 6, 1999, still apply.

BOARD POSITION

Neutral.

The Franchise Tax Board at its March 23, 1999, meeting voted 2-0 to take a neutral position on this bill.

Board Position:

| | | |
|------------------|-----------|---------------|
| _____ S | _____ NA | _____ NP |
| _____ SA | _____ O | _____ NAR |
| <u>X</u> _____ N | _____ OUA | _____ PENDING |

Franchise Tax Board Staff

Date

Roger Lackey

5/25/1999